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BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 09-16 April 24th, 2009

- **Retail sales slip in February; sales by wholesalers inch down**
- **British Columbians aged 15 and over spent an average of $779 on alcoholic beverages in 2008**
- **Wage gap for women in dual-income families narrowing**

The Economy

- **Total retail sales in the province slipped 1.3% (*seasonally adjusted*) in February, partly erasing the gain made at the beginning of the year (+2.9% in January).** Canadian sales edged up (+0.2%), largely the result of higher prices (in volume terms, sales were down 0.3%). Newfoundland & Labrador (+1.1%), Quebec (+1.1%) and Ontario (+1.0%) were the only provinces that bucked the national trend, posting solid gains in February. *Data Source: Statistics Canada*

- **British Columbia's wholesalers saw sales inch down 0.2% in February, a much slower rate of decline than was recorded in January (-3.1%).** Nationally, the downward trend also eased, with wholesale sales dropping 0.6%, following a more substantial drop in January (-3.9%). Despite the moderation of decrease, most sectors continued to report lower sales figures. Saskatchewan (-6.4%) and Alberta (-3.2%) bore the brunt of the downturn in February. Conversely, some provinces posted gains, with Newfoundland & Labrador (+5.0%), Nova Scotia (+4.0%) and Quebec (+1.4%) leading the way. *Data Source: Statistics Canada*

Tourism

- **Traveller entries to Canada through BC inched up 0.4% (*seasonally adjusted*) for the second straight month in February.** There were slightly more American visitors (+0.2%), as same-day travel jumped (+2.5%), offsetting a decline (-0.9%) in overnight trips. Although the number of travellers from Europe was down (-2.6%), an increase in entries from Asia (+1.2%) and other countries (+5.4%) boosted overall overseas visitation (+0.8%).

  Travel from the US to Canada was up (+3.8%) in February, tempering a slowdown in visitors from other countries (-4.4%).

  Data Source: Statistics Canada& BCStats

Beer, Wine and Spirits

- **British Columbians aged 15 years and over spent an average of $779 on beer, wine and spirits in 2008.** Newfoundland ($829), Northwest Territories/Nunavut ($925) and Yukon ($1,212) were the only regions with higher per capita sales of alcoholic beverages than BC. The national average was $688.

  Beer ($315) remained the most popular alcoholic beverage in BC, followed by wines ($241) and spirits ($223). Nationally, per capita sales of beer ($316) dominated the market. Wines ($198) and spirits ($174) accounted for a smaller share of spending.

  Provincial and territorial liquor authorities in Canada earned $5.2 billion from sales of alcoholic beverages in 2008, up 4.6% from the previous year. All provinces recorded revenue gains, most notably New Brunswick (+10.3%) and Saskatchewan (+7.5%). In BC, revenues advanced 2.0% to $866 million.

  Data Source: Statistics Canada

Student Debt

- **About half of Canadian college graduates (45%) and university graduates with a bachelor's degree (54%) left school in 2005 owing money for their education.** The debt was mostly in the form of government student loans. Those who had earned a bache-

Report Canada Seeks Trade Deal with the European Union

Did you know...
Three-quarters of British Columbians feel a retailer's environmental actions are important when deciding where to shop *Source: Ipsos Canada*

lor's degree typically owed $20,400, while college graduates carried a lower debt load ($11,800). Graduates with masters (46%) and doctoral (44%) degrees were somewhat less likely to owe money. The average debt load for master's graduates who borrowed to finance their education was $19,500, while those who had earned a PhD owed an average of $22,500. Newly graduated bachelor students studying in the field of health, parks, recreation & fitness—a field that includes medicine—were most likely to owe money, and carried the highest average debt load ($23,600).

Two years after graduation, nine out of ten grads were working. Among full-time workers, college grads earned a median income of $35,000, while the median income for those with a bachelor's degree was $45,000. Graduates with master's degrees ($60,000) and doctorates ($65,000) earned considerably more. Nearly one in three college and bachelor graduates who borrowed to finance their education was debt free after two years, while those who still owed money had typically paid back about a quarter of their loan. A quarter of those with government debt at the time of graduation reported having difficulties with repayment.

Data Source: SC, National Graduate Survey Cat. # 81-595-XIE

Dual-Income Families

- **Dual-earner couples have become the dominant family form in Canada, with seven out of ten couples both employed in 2008.** The number of two-income couples rose from 1.9 million (43% of couples) in 1976 to 4.2 million (68% of couples) in 2008. However, the average combined working hours of dual-earner couples remained constant at around 77 per week.

The gap in average weekly hours of dual-earner husbands and wives has narrowed notably over the past decade from a difference of nine hours in 1997 (43 and 34 hours per week, respectively) to seven hours in 2008 (42 and 35). As such, approximately two-thirds of couples worked an equal number of hours. Annually, this translates to an increase of more than one week of full-time work for women and a drop of two weeks for men.

Changing indicators of educational attainment may be partly responsible for the changing employment patterns among Canadian families. The proportion of women aged 25 and over with a university degree in Canada rose from 14% in 1997 to 22% in 2008 (compared to from 18% to 23% for men). Also, younger women now have higher levels of educational attainment than their male counterparts. Last year, 32% of young women (aged 25 to 44) had a university degree, compared with 26% of men.

In 2008, hourly earnings of wives were 81% of husbands' earnings, up from 77% in 1997. With hours and earning power increasing for wives, their overall contribution to family earnings increased steadily over the past decade, reaching 41% ($740 per week) in 2008. Couples earned an average of $1,770 per week before taxes—with men bringing home $1,040, and women earning $740.

One-quarter of dual-earner men and one-third of women surveyed reported feeling severely time stressed in 2005, but, given the choice, most said they preferred working either their current or even more hours.

Data Source: SC, Catalogue 75-001-MIE

The Nation

- **The composite leading index continued its downward trend in March (-1.3%), on the heels of a similar drop in February (-1.4%).** With the exception of money supply (+0.9%) all component indicators declined. Spending in the retail sector lagged as sales of furniture & appliances (-0.9%) and other durable goods (-0.6%) both posted losses. The housing index (-4.3%), a composite of housing starts and sales, was particularly weak, while financial indexes suffered further pressure from a weakening stock market. Negative influences on the composite index also included a continued retreat in the manufacturing sector as new orders plummeted (-10.3%). *Data Source: Statistics Canada*

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Contact: Dan Schrier
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originally published in
Exports Issue 09-12

Canada Seeks Trade Deal with the European Union

In the midst of a global economic crisis, there have been several signs that protectionist sentiment is on the rise, creating concerns among countries such as Canada that are heavily dependent on trade. Measures such as the United States' "Buy American" restrictions in its stimulus bill, as well as new duties, domestic subsidies and restrictions introduced in other countries, have evoked memories of the infamous Smoot-Hawley Tariff Act of 1930, a protectionist measure introduced by the United States that ultimately resulted in a worldwide trade war and is thought by many to have been a contributing factor to the Depression. In a letter to US Senate leaders in response to the "Buy American" restrictions, Canadian Ambassador Michael Wilson cautioned that "A rush of protectionist actions could create a downward spiral like the world experienced in the 1930s."[1]

Given these concerns over the rising tide of protectionism, the current free trade talks between Canada and the European Union (EU) come at an opportune time. Discussion on a possible deal began in earnest last fall, and ongoing talks since then have been focussed on the scope of a future free trade agreement. The hope is that full-scale negotiations between Canada and the 27-member EU will begin in May 2009. One of the possible sticking points to a deal is whether Canadian provinces will agree to opening up their public procurement systems to European companies. International Trade Minister Stockwell Day said he's confident that the provinces will agree to such provisions, noting that "we understand in Canada that we prosper because we are a trading nation. We produce more than we can consume, and if we can't trade then we're in trouble. Provinces, regardless of the political stripe of their government, recognize this."[2]

A trade deal with the European Union could ultimately be more encompassing than even the North American Free Trade Agreement (NAFTA) as it could include additional elements, such as measures designed to improve labour mobility, that are not part of NAFTA. A joint Canada-EU study suggests that a deal such as the one envisioned could create a total of €19.8 billion in additional income by 2014, of which €8.2 billion would be generated in Canada (approximately $13 billion at current exchange rates).[3]

The large majority of that additional revenue would be from trade in services, but there would also be gains in trade in goods. The latest available data from Statistics Canada indicates that the value of Canada's service exports to the member countries of the European Union was approximately $12.3 billion in 2006 (excluding Bulgaria and Romania, the latest countries to join the EU, for which data are not available). There were about $13.7 billion worth of imports from EU countries into Canada in that year, such that Canada had a $1.4 billion deficit in trade in services with the EU.

[1] Quoted in: Laghi, Brian and Carmichael, Kevin, "Canada takes battle over 'Buy American' to U.S. Senate," *The Globe and Mail*, p. A1, Feb. 3, 2009.

[2] As quoted in: O'Neil, Peter, "Canada and EU hope for freer trade," *Victoria Times-Colonist*, p. B1, Jan. 16, 2009.

[3] *Assessing the costs and benefits of a closer EU-Canada economic partnership: A joint study by the European Commission and the Government of Canada*, October, 2008.

Canada's Trade in Services with the EU, 2006 ($Millions)

Country	Exports	Imports	Balance
Austria	151	193	-42
Belgium/Luxembourg	248	306	-57
Denmark	228	178	50
France	1,784	2,263	-479
Finland	143	197	-54
Germany	1,702	1,805	-103
Greece	244	1,038	-794
Ireland	707	564	143
Italy	485	928	-443
Netherlands	741	860	-119
Poland	88	112	-24
Portugal	127	246	-119
Spain	437	423	15
Sweden	256	211	44
United Kingdom	4,760	4,037	723
Other*	198	293	-95
European Union Total*	**12,299**	**13,654**	**-1,354**

*Excludes Bulgaria and Romania

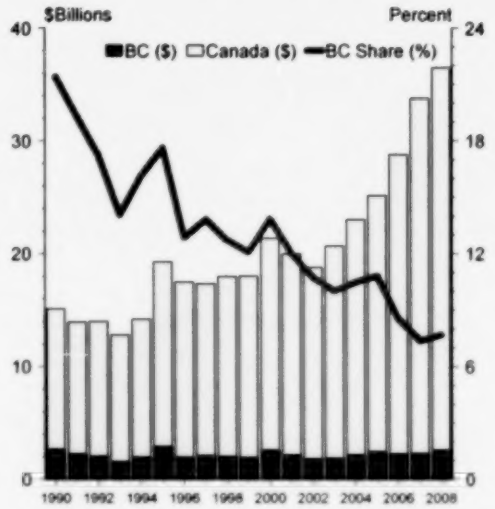
The figures for both exports and imports are approximately a third the value of the comparable data for trade in services with the United States. Nevertheless, they represent a substantial portion of Canada's trade in services.

On the goods side, Canada exported approximately $33.9 billion worth of merchandise to the EU in 2008, of which around $2.6 billion, or 7.7%, originated in British Columbia. These figures comprised only 7.4% of Canada's goods exports and 7.9% of BC's exports. The levels pale in comparison to trade with the United States, but the EU is still a significant trade partner for both British Columbia and Canada as a whole.

Canada imported approximately $54.0 billion worth of goods from the EU in 2008, such that Canada had a deficit of about $17.9 billion in trade in goods (note that the deficit is calculated using total exports including re-exports[4], which was $36.1 billion – the $33.9 billion figure quoted earlier is for domestic exports only).

The value of Canada's commodity exports to the EU has risen significantly in the last several years, almost doubling from about $17 billion in 2002 to just under $34 billion in 2008. However, shipments originating in British Columbia have been flat, and BC's share of Canadian exports to the EU has dropped from over 21% in 1990 to less than 8% in 2008.

Canadian exports to the EU have been rising, but BC's share of Canadian exports has dropped



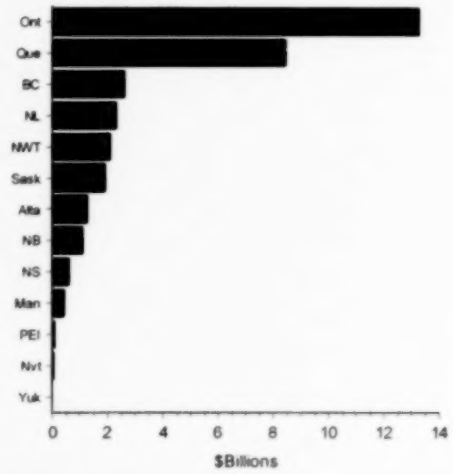
Source: Statistics Canada

Despite the decline in BC's share of Canadian exports to the EU, British Columbia still ranked third among the provinces, behind only Ontario (39%) and Quebec (25%) in 2008. Newfound and Labrador (7%) and the Northwest Territories (6%) ranked

[4] A re-export is a good that is imported into the country and then shipped back out again without being materially transformed. Since goods that are re-imported into Canada are counted on the import side, it is important to include re-exports when calculating a trade balance.

fourth and fifth. Products from the mining industry, particularly gold and nickel, were the top exports from Ontario to the EU. For Quebec, aircraft, aircraft parts and aluminum topped the list of exports, while Newfoundland and Labrador shipped mainly iron, copper and nickel ores and concentrates, as well as oil. In the Northwest Territories, virtually all the exports to the EU were comprised of diamonds and almost all of those were shipped to either the United Kingdom or Belgium.

BC ranked third in the country in 2008 as a source for Canadian exports to the EU

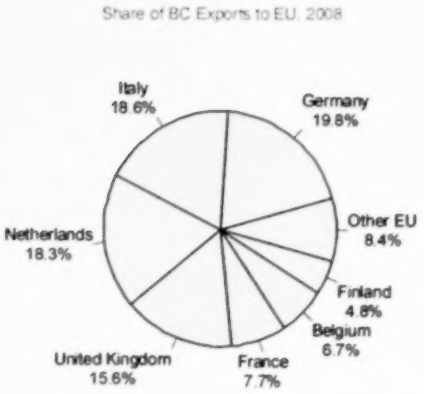


Source: Statistics Canada

By far, British Columbia's top export to the EU in 2008 was coal (40%), but pulp (11%) and softwood lumber (10%) were also significant exports to that region.

The large majority of BC's exports to the EU is destined for only a handful of countries: Germany (20%), Italy (19%) the Netherlands (18%), and the United Kingdom (16%). It is much the same for Canada as a whole, except the United Kingdom leads the way (36%), followed by Germany (12%), the Netherlands (10%), Belgium (9%) and France (9%).

Over 90% of BC's exports to the 27-member EU is shipped to just seven countries



Source: Statistics Canada

A free trade deal between Canada and the EU would undoubtedly be a positive step for both parties. However, there are still many roadblocks that need to be surpassed for such a deal to occur. Allowing competition from EU firms for government procurement contracts could be difficult for some provinces to accept and concerns from the agricultural sectors in both Canada and the EU could also make it difficult to come to an agreement. Nevertheless, the fact that Canada and the EU are talking free trade is seen by many as an important step, particularly in light of the current economic crisis and the protectionist forces springing up around the globe. If Canada and the EU can make free trade work, it may give added incentive to countries around the world to come to a global trade agreement, which should benefit all countries.

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BC at a glance . . .

POPULATION (thousands)	Jan 1/09	% change on one year ago
BC	4,420.0	1.7
Canada	33,504.7	1.2
GDP and INCOME (Revised Nov 6)		
(BC - at market prices)	2007	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	192,528	5.4
GDP *($ 2002 millions)*	164,583	3.0
GDP *($ 2002 per Capita) (reflects revised pop)*	38,184	1.4
Personal Disposable Income *($ 2002 per Capita)*	25,282	3.1
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Feb	2,803	-2.5
Merchandise Exports - Feb	2,483	7.1
Retail Sales - Feb	4,328	-1.3
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Mar 2009)	one year ago	% change
BC	1.1	2.2
Vancouver	1.3	2.4
Victoria	1.1	2.1
Canada	1.2	2.2
LABOUR FORCE (thousands)		
(seasonally adjusted)	Mar '09	% change on prev. month
Labour Force - BC	2,420	-0.2
Employed - BC	2,240	-1.0
Unemployed - BC	180	11.4
		Feb '09
Unemployment Rate - BC *(percent)*	7.4	6.7
Unemployment Rate - Canada *(percent)*	8.0	7.7
INTEREST RATES (percent)	Apr 22/09	Apr 23/08
Prime Business Rate	2.25	4.75
Conventional Mortgages - 1 year	4.20	6.95
- 5 year	5.45	6.99
US-CANADA EXCHANGE RATE	Apr 22/09	Apr 23/08
(avg. noon spot rate) Cdn $ per US $	1.2360	1.0195
(closing rate) US $ per Cdn $	0.8065	0.9830
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Mar '09	% change on one year ago
BC	790.02	3.8
Canada	796.01	3.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Demographic Atlas, Selected Indicators

The Demographic Atlas is a new mapping tool added to the BC Stats website. The 2008 population components by Local Health Areas (89 regions) can be visualized with this user-friendly, interactive, and powerful analytical application. It allows for comparison and correlation of two data sets, giving the user the ability to export the output to a document or slide show, yielding geographical analysis without the cost of expensive software or GIS knowledge.

We would like to thank the University of Victoria for their partnership, and welcome comments and enquiries.

www.bcstats.gov.bc.ca/data/pop/Atlas.asp

Local Area Economic Dependencies

Based on Census and other economic data, this report was prepared to provide consistent information on the local economies in the rural areas of the province of British Columbia and to help in the estimation of the economic impacts of changes in those local economies.

www.bcstats.gov.bc.ca/pubs/econ_dep.asp

Dynamic Population Pyramid

One of the best tools for examining population age/sex structure and dynamics is the Population Pyramid. With this graph, one can view a region's age and sex structure with a glance, but with our dynamic pyramid tool the user can see the changing community population profile over time.

www.bcstats.gov.bc.ca/data/pop/PeopleDataViewer/pyramid.asp

Released this week by BC Stats

- Consumer Price Index, March 2009
- Migration Highlights, Fourth Quarter 2008

Next week

- British Columbia Business Indicators, April 2009
- Current Statistics, April 2009
- Tourism Sector Monitor, April 2009

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